

Mexico

Contraceptive Logistics System

Review of
Accomplishments and
Lessons Learned—
Nongovernmental
Organizations
(1992–1999)

Nora Quesada



FPLM



Mexico: Contraceptive Logistics Systems

Review of Accomplishments and Lessons Learned—Nongovernmental Organizations (1992–1999)

Nora Quesada



FPLM

The Family Planning Logistics Management (FPLM) project is funded by the Office of Population of the Bureau for Global Programs, Field Support and Research of the U.S. Agency for International Development (USAID). The agency's Contraceptives and Logistics Management Division provides a centralized system for contraceptive procurement, maintains a database on commodity assistance, and supports a program for contraceptive logistics management.

Implemented by John Snow, Inc. (JSI) (contract no. CCP-C-00-95-00028-00), and subcontractors (The Futures Group International and the Program for Appropriate Technology in Health [PATH]), the FPLM project works to ensure the continuous supply of high-quality health and family planning products in developing countries. FPLM also provides technical management and analysis of two USAID databases, the contraceptive procurement and shipping database (NEWVERN); and the Population, Health, and Nutrition Projects Database (PPD).

This document does not necessarily represent the views or opinions of USAID. It may be reproduced if credit is given to FPLM/JSI.

Recommended Citation

Quesada, Nora. 2000. *Mexico: Contraceptive Logistics System, Review of Accomplishments and Lessons Learned—Nongovernmental Organizations (1992–1999)*. Arlington, Va.: Family Planning Logistics Management/John Snow, Inc., for the U.S. Agency for International Development (USAID).

Abstract

This report focuses on two of four organizations in Mexico that received technical assistance in logistics from the Family Planning Logistics Management project. The assessment of the impact of the technical assistance provided to these two nongovernmental organizations, MEXFAM and FEMAP, is described. The findings and lessons learned from the assessment conclude the report.



FPLM



Family Planning Logistics Management
John Snow, Inc.
1616 North Fort Myer Drive, 11th Floor
Arlington, VA 22209 USA
Phone: 703-528-7474
Fax: 703-528-7480
E-mail: fplm_project@jsi.com
Internet: www.fplm.jsi.com

Contents

Acronyms	v
Preface.....	vii
Executive Summary	ix
1. Background	1
2. Study Objectives	3
3. The Technical Assistance Strategy	5
4. Study Protocol.....	7
5. Study Results.....	9
Status Prior to Logistics Technical Assistance.....	9
Status Toward the End of Logistics Technical Assistance.....	9
Future Options and Challenges	11
6. General Findings	13
7. Lessons Learned.....	15
Appendix A Survey Respondents	17
Appendix B Survey Instrument.....	19

Tables

1.	MEXFAM: Unit Costs for Contraceptives Supplied by USAID and Local Vendors, 1999	10
2.	Self-assessment of MEXFAM and FEMAP Logistics Systems, before (1992) and after (1999) FPLM Interventions (mean scores on a scale of 1 to 9)	11

Acronyms

CA	cooperating agency
DGSR	General Directorate for Reproductive Health (Dirección General de Salud Reproductiva)
FEMAP	Mexican Federation of Private Health and Community Development Associations (Federación Mexicana de Asociaciones Privadas de Salud y Desarrollo Comunitario, A.C.)
FP	family planning
FPLM	Family Planning Logistics Management
IEC	information, education, and communication
IMSS	Mexican Social Security Institute (Instituto Mexicano del Seguro Social)
IPPF/WHO	International Planned Parenthood Federation/Western Hemisphere Region
JSI	John Snow, Inc.
MEXFAM	Mexican Foundation for Family Planning (Fundación Mexicana para la Planeación Familiar, A.C.)
NGO	nongovernmental organization
SSA	Secretariat of Health (Secretaría de Salud)
USAID	United States Agency for International Development

Preface

The Family Planning Logistics Management (FPLM) project, managed by John Snow, Inc., and funded by the U.S. Agency for International Development (USAID), worked with two private sector nongovernmental organizations and two government agencies in Mexico.

In March 1999, USAID in Mexico terminated all financial and technical support to family planning programs in Mexico. At approximately the same time, the FPLM project conducted assessments of the four organizations that had received technical assistance in logistics in Mexico to document the impact of the technical assistance provided and the “lessons learned” from the processes and strategies.

Mexico: Contraceptive Logistics System focuses on the two nongovernmental organizations (the Mexican Foundation for Family Planning and the Mexican Federation of Private Health and Community Development Associations). It details the strategies and processes used and the assessment of these efforts. The assessment involved a qualitative case study evaluation and is based on in-depth, qualitative interviews with mid- to senior-level officials at both nongovernmental organizations.

This report is just one component of a three-part comprehensive overview of the FPLM project’s entire activities in Mexico. The remaining two documents focus on the two government agencies: the General Directorate for Reproductive Health and the Mexican Social Security Institute.

It is hoped that each of these assessment reports will allow the organizations studied to better understand the strengths and weaknesses of their logistics systems and develop appropriate activities to improve them in the future.

The author wishes to acknowledge the many people of both governmental and nongovernmental organizations contacted during this process and interviewed as part of the assessment for sharing their perceptions and comments. In addition, we appreciate the cooperation of the staff at the USAID Mission in Mexico, especially Marie McCleod, who gave generously of their time and expertise. We also wish to acknowledge the staff of FPLM/Washington, particularly Sandhya Rao and Timothy Williams, who contributed to and edited the final report for publication.

Executive Summary

The Family Planning Logistics Management (FPLM) project, funded by the U.S. Agency for International Development (USAID) and implemented by John Snow, Inc., works to ensure the continuous supply of high-quality health and family planning products in developing countries.

From 1992 to 1998, FPLM provided technical assistance in logistics to the Mexican Foundation for Family Planning and the Mexican Federation of Private Health and Community Development Associations, which are the two main nongovernmental organizations providing family planning and reproductive health services in Mexico. As part of this support, the project trained the staff at the regional and central offices on basic aspects of logistics systems; concepts and applications of logistics monitoring; use of methodologies to perform contraceptive forecasting and prepare procurement budgets; and information, education, and communication activities. Toward the end of their collaboration and in anticipation of donor phaseout to the organizations, the project also worked to strengthen the long-term sustainability of the two nongovernmental organizations (NGO).

In January 1999, FPLM conducted a study to examine the status of the logistics systems at the two nongovernmental organizations and the potential effects on those systems of the imminent withdrawal of donor support. This report highlights the findings from this assessment, and takes a comprehensive look at the collaboration between the project and the two organizations. This document includes a description of the study methodology, results, and findings, as well as the lessons learned from the work conducted during this period. The lessons learned drawn from this experience are intended to provide guidance for long-term sustainability.

Lessons learned from this study include the following:

- NGO sustainability is a long-term process, and the organizations must begin planning for the end of donor support long before it happens.
- All stakeholders should coordinate to ensure that they agree on expectations about sustainability from the beginning.
- Cooperating agencies should coordinate their activities when helping NGOs prepare for sustainability.
- Replacing commodities (especially contraceptives) is one of the most challenging aspects of sustainability.
- By their nature NGOs are attractive to a wide range of donors, and skills such as proposal development and other aspects of fundraising should be included as part of any phase out plan by a large donor such as USAID.

1. Background

The Mexican Foundation for Family Planning (MEXFAM) and the Mexican Federation of Private Health and Community Development Associations (FEMAP) are the two main nongovernmental organizations (NGO) providing family planning and reproductive health services in Mexico, and the only two to do so on a national scale. MEXFAM, the International Planned Parenthood Federation (IPPF) affiliate in Mexico, was founded in 1965 and has as its mission “to provide quality and state of the art services in family planning, sexual health and education, preferably to the most vulnerable populations in Mexico: the young and the poor.” Founded in 1973, FEMAP is a federation of community development organizations with a strong family planning and reproductive health focus. Both organizations strive to serve rural populations and urban poor not reached by the public sector, with 85 percent of their clients coming from these population groups. The two NGOs together serve approximately 3 percent of all family planning users in Mexico, or one-half million clients. This coverage has been achieved in large part through financial and technical support from international donors, especially the United States Agency for International Development (USAID).

The clinics of both NGOs offer a wide range of reproductive and other health services, including family planning. MEXFAM operates 16 clinics and works with an additional 11 affiliated clinics. FEMAP operates a network of affiliate organizations with 44 clinics and 13 pharmacies housed in the clinics. Most of MEXFAM’s own clinics are designed to generate a net income for the organization, by charging fees to lower-middle to middle-income clientele. This gives the organization a core of sustainable services and, combined with aggressive fundraising campaigns, provides resources to support community outreach for underserved groups. Most of FEMAP’s affiliates strive to be self-sufficient by keeping costs and fees low in order to attract a large volume of low-income clients for a small profit on each service. Their pharmacies are also meant to generate a net income to help support the clinics.

The central offices of both MEXFAM and FEMAP manage contraceptive procurement for their clinics, affiliates, pharmacies, and outreach programs. The FEMAP pharmacies sell generic drugs in addition to contraceptives. Both NGOs use female community health workers (*promotoras*) to provide family planning outreach services in underserved areas.

2. Study Objectives

In January 1999, three months before the scheduled end of USAID support, the Family Planning Logistics Management (FPLM) project conducted a study to examine the status of the logistics systems at MEXFAM and FEMAP and the potential effects on those systems of the imminent withdrawal of USAID support. The objectives of the study were as follows:

- Document the opinions and recommendations of MEXFAM and FEMAP officials on the seven years of logistics assistance received from FPLM, and document the lessons learned from this experience.
- Determine how well MEXFAM and FEMAP assimilated the technical assistance and training in logistics provided by FPLM.
- Document the views of MEXFAM and FEMAP officials on USAID's withdrawal of support.
- Identify challenges to the sustainability of MEXFAM's and FEMAP's family planning programs.
- Determine whether the present contraceptive logistics activities are sustainable after foreign aid is withdrawn.
- Identify areas where technical assistance may be needed after the cessation of funding.

3. The Technical Assistance Strategy

Between 1974 and 1995, USAID donated contraceptives to the major service providers in Mexico's public sector: namely, the General Directorate for Reproductive Health (DGSR) at the Secretariat of Health (SSA), and the Mexican Social Security Institute (IMSS). This support allowed those agencies to expand access to and use of family planning throughout Mexico. The two agencies currently provide coverage for more than 65 percent of all family planning users in the country, or approximately 11 million clients, with clients receiving free family planning services and supplies from IMSS, if they are eligible for benefits, (through a payroll tax deduction), or from SSA, if they are uninsured.

USAID/Mexico has also provided long-standing support to the NGO sector, because it was felt that NGOs could enlarge the existing client base and relieve some pressure on the public sector. The main recipients of this support were MEXFAM and FEMAP, the only two NGOs with national-level family planning programs.

FPLM played an important role in providing technical assistance in logistics to MEXFAM and FEMAP, beginning in 1992. Its first undertakings included designing forms for collecting monthly and quarterly data on contraceptive use and flow. FPLM also trained staff at NGO regional and central offices in the use of the forms. Additional training was conducted by FPLM on basic aspects of logistics systems (e.g., warehousing conditions and the concept of maximum-minimum inventory levels); the concepts and applications of logistics monitoring; and the use of methodologies to perform contraceptive forecasting and prepare procurement budgets. FPLM also provided specialized training in information, education, and communication (IEC) activities.

MEXFAM and FEMAP received substantial support and technical assistance from other USAID cooperating agencies (CA) during the same period they received FPLM support. Most of this was focused on sustainability, because USAID initially planned to phase out support (including commodities) to the NGOs by the end of 1997. Throughout much of the period from 1992 to 1997, therefore, MEXFAM and FEMAP implemented a number of strategies designed to enhance their long-term sustainability without USAID support. Some of the main strategies included improved cost management, local income generation through clinical services (MEXFAM) or pharmacies (FEMAP), fundraising and proposal development, and others. In 1997, however, USAID decided to continue support to the NGOs until March 1999. During this new phase out period, FPLM worked with MEXFAM and FEMAP to start establishing budgets and making projections based on contraceptive sales. The resulting projections would help the NGOs determine what fees they should set for contraceptives after USAID support ended, so they could recoup at least a portion of the costs of contraceptives and associated costs incurred after that time.

MEXFAM and FEMAP both made substantial progress toward sustainability during the long phase out process. However, such progress was sometimes slower than desired, due in part to ambiguous messages from USAID/Mexico, USAID/Washington, and the CAs working in Mexico regarding the extent and exact dates of the phase out. The NGOs were aware of the strategic importance of Mexico to the United States, and believed as a consequence (with some reinforcement from USAID/Mexico and others) that despite stated policy, the United States would not terminate aid to Mexican population and family planning programs for the foreseeable future. Additionally, both NGOs have always sought to serve primarily low-income clients from underserved regions, who have little capacity to pay for services. Therefore, it has been difficult for the organizations to develop strategies to deal with the loss of donor funding because of the difficulty in recovering program costs from users.

Mexico: Contraceptive Logistics Systems

As a result of these interpretations and challenges, it was not until the late 1990s that the NGOs fully accepted the withdrawal of USAID funding and began to devote much of their time and energy to preparing for that event. Unfortunately, it was late by then for much of the technical assistance to have a major impact. Additionally, some NGO representatives described the technical assistance that was provided as slow, contradictory, and lacking coordination.

Despite these challenges, both NGOs ultimately made substantial progress. At the end of the project, both MEXFAM and FEMAP had sufficient USAID-donated contraceptive supplies in stock to cover their clients' needs until March 2000. They were also considering various options to keep the clinics functioning as health centers, with family planning services provided either at their clinics or in collaboration with other organizations in Mexico. Finally, both organizations have made substantial progress with international and in-country fundraising, and they may be able to replace at least a portion of their original USAID donation with new donor resources.

4. Study Protocol

To assess NGO views of various aspects of the FPLM project and future options after the end of the project, FPLM conducted in-depth, qualitative interviews with mid- to senior-level officials at both NGOs (appendix A). All respondents had decision-making authority, had been working for the NGOs for some time, and were familiar with both previous and current logistics systems. Interviews were held at MEXFAM's central offices in Mexico City and in San Luis de la Paz (Guanajuato) during MEXFAM's regional meeting, and at FEMAP's central offices in Ciudad Juarez (Chihuahua). The interviews were conducted from January 11–29, 1999 (see appendix B for survey instrument).

Although FPLM had hoped to interview 20 officials, it succeeded in interviewing only 15: two from FEMAP and 13 from MEXFAM. The interviews at MEXFAM involved the large majority of senior-level staff, including the executive director. The interviews at FEMAP were with the program development manager and the program development assistant. The executive director at FEMAP was not available to be interviewed, and the small number of interviews in general reflects the number of central-level staff remaining at that NGO in anticipation of the discontinuation of USAID support. The two people interviewed at FEMAP, however, were the two who make decisions regarding logistics. Budget restrictions prevented FPLM from visiting the clinics and affiliates of either organization.

5. Study Results

The information gathered during the interviews provides an overview of (a) NGO operations just before and during FPLM technical assistance, and (b) the situation that NGO officials perceive to be awaiting them once USAID support (including technical assistance from FPLM) is no longer available.

Status Prior to Logistics Technical Assistance

As described by respondents, the situation at the two NGOs before the FPLM project began its technical assistance in logistics management was as follows:

Logistics Management Information Systems

- NGO staff were not preparing inventories or setting maximum and minimum levels for inventory control. One respondent from MEXFAM expressed the view that such controls seemed unnecessary in the past because they had so many resources available to them, from USAID especially, and new procurement was rapid whenever supplies were low.
- Although staff filled out the necessary forms, the information was not used to make decisions on future supply levels.
- Records and controls were weak or altogether lacking, and storage conditions were poor. The only information recorded, if any, were basic shipment contents. It was generally not known how long the contents would last given varying local demand conditions.

Contraceptive Supplies

- NGO staff did not monitor manufacturing and expiration dates; thus, many supplies were left to expire. The data from field visits that FPLM conducted at the beginning of project interventions confirm these observations.
- The unit prices paid by USAID/Washington to its suppliers for contraceptives were substantially lower than the unit prices commanded by vendors in local markets and abroad. The NGOs, in turn, charged users less than the replacement cost of the donated contraceptives (calculated on the basis of the unit price paid by USAID/Washington). Given the economic status of their clientele, charging higher fees is not feasible and therefore, the NGOs would have difficulty maintaining contraceptive supplies if USAID support ended.

Status Toward the End of Logistics Technical Assistance

As described by respondents, the situation at the two NGOs in January 1999, close to the end of technical assistance from the FPLM project, was as follows:

Technical Assistance

- The training that MEXFAM and FEMAP staff received from FPLM contributed greatly to the efficient operation of the logistics system.

- MEXFAM and FEMAP staff still lacked the technical skills needed to generate sufficient income to cover all of their operating costs and materials.

Contraceptive Supplies

- In addition to dispensing supplies donated by USAID, MEXFAM was purchasing some contraceptives locally—particularly condoms and oral contraceptives—with funding provided by International Planned Parenthood Federation/Western Hemisphere Region (IPPF/WHR) and from sales of USAID-donated contraceptives.
- Local vendors were charging unit prices two to five times higher than those paid by USAID/Washington to its suppliers.
- Trade protection in Mexico makes it almost impossible to purchase directly from foreign vendors, whose unit prices would be lower than the local market. If a foreign vendor has a representative in Mexico, the contraceptives must be purchased from the local supplier at this higher price. (Table 1 displays these price differences.)

Table 1. MEXFAM: Unit Costs for Contraceptives Supplied by USAID and Local Vendors, 1999

Method	Number of Units	USAID (U.S.\$)	Local Vendors (U.S.\$)	Price Difference (%)
Oral contraceptives	1,500,000	0.21	1.16	+552%
Condoms	3,500,000	0.056	0.115	+205%
IUD: Copper T	30,000	1.20	2.63	+219%

Note: Exchange rate: 9.50 pesos = U.S.\$1

Source: Derived from MEXFAM's forecast of supply requirements for 1999.

Respondents from both NGOs were asked to assess how their logistic systems had changed between 1992 (before FPLM interventions) and 1999 (just before the phase out of USAID support). The qualitative assessment looked at nine different logistics systems characteristics, and each respondent rated them in 1992 and 1999 on a scale of 1 (poor) to 9 (excellent).

Table 2 shows the results of the self-assessment. As displayed in the table, almost all aspects of the systems were said to have improved in both organizations between 1992 and 1999. Especially noteworthy was the improvement in accuracy of projections perceived by MEXFAM staff. In 1999, the average rating was 7.5 or better for all characteristics in both NGOs. These results suggest that the NGO staff at least perceived strong improvements in their logistics systems as a result of FPLM technical assistance.

Table 2. Self-assessment of MEXFAM and FEMAP Logistics Systems, before (1992) and after (1999) FPLM Interventions (mean scores on a scale of 1 to 9)

Logistics Characteristic	MEXFAM N=8			FEMAP N=2		
	1992	1999	% Change	1992	1999	% Change
Quality of information	5.9	7.9	33.9	6.5	8.5	30.8
Accuracy of information	5.0	7.5	50.0	6.5	8.0	23.1
Timeliness of reports	5.3	7.6	43.4	7.5	7.5	0.0
Use of information	5.2	7.9	51.9	6.0	8.5	41.7
Stockouts	6.8	8.3	22.1	7.5	9.0	20.0
Overstocking	4.0	8.2	105.0	6.5	9.0	38.5
Inventory control	5.6	8.4	50.0	7.0	8.5	21.4
Storage conditions	5.9	8.3	40.7	7.0	8.0	14.3
Accuracy of projections	1.9	8.0	321.1	6.5	8.5	30.8
Total	5.1	8.0	56.9	6.8	8.4	23.5

Future Options and Challenges

In Mexico, the public sector provides coverage for more than 65 percent of all family planning (FP) users, and FP services and products are free of charge for those eligible for IMSS benefits and for the uninsured population. As a result, it is a real challenge for the NGOs—which serve rural communities and neglected populations in urban areas—to provide contraceptive methods and services at a low cost to make them affordable, and yet charge enough to recoup their operational costs.

The situation is similar to ongoing procurement of sufficient contraceptives. The unit price charged by local vendors is two to five times more than USAID/Washington pays its suppliers. Trade protection in Mexico makes it very difficult—or, sometimes, impossible—to purchase directly from lower-priced foreign vendors. Thus, it is very unlikely that MEXFAM and FEMAP will be able to continue purchasing contraceptives in the volumes that are needed; and, assuming they could, the price they would charge would be very high.

In the face of these challenges, the two organizations are pursuing similar strategies for financing their operations, with a few notable differences. The common strategies include—

- Identifying services that are highly cost-effective and focusing on providing and expanding those services. This will help ensure sustainable financial growth that will enable affiliates to continue providing (general) health services and, perhaps, some FP services.
- Exploring various forms of association with the public sector to provide FP services and contraceptive methods. This would allow the NGOs, their clinics, and the public sector to continue reaching rural communities and neglected populations in urban areas. The NGOs can use their experience in IEC and their networks of volunteer community health workers in hundreds of communities throughout Mexico. This strategy could be implemented through the DGSR at the states' Secretariats of Health, as is already being done in Monterrey. There is an agreement in Monterrey between the DGSR and the local MEXFAM clinic, whereby MEXFAM provides IEC

services, develops educational materials, and expands FP services for the population served by the DGSR.

- Exploring with other donor agencies—Japan, Finland, and others—the possibility of financing projects in Mexico to procure contraceptives and provide FP services.

However, FEMAP is pinning most of its hopes for financing its clinics on the pharmacies that already operate at 13 sites. Although this is a recent development, it is expected that the pharmacies, which sell mainly generic drugs, will be successful and will help subsidize other services offered at the clinics. FEMAP hopes to continue adding pharmacies to other affiliates over the next few years. It also intends to create a revolving fund for the procurement of medicines and contraceptives. It plans to accomplish this with soft loans from creditors, such as the Packard Foundation, which have provided financing for similar initiatives in the past.

MEXFAM, on the other hand, is working to continue developing the 16 clinics that have become its main source of local income. It is expected that the income the clinics generate will help recoup operating costs and still leave a surplus that can be capitalized and reinvested for facilities' maintenance and service expansion, and will help cover the overhead cost of operations at the central level. These clinics are still positioning themselves as health service providers in the cities where they are located. Their success is still uncertain, but it is expected that they will be well received, because they provide high-quality services at low cost, compared with similar private clinics.

6. General Findings

As a result of the in-depth qualitative interviews and self-assessments, FPLM identified general findings that focus on the role of FPLM, additional training needs of MEXFAM and FEMAP, the soundness of the NGOs' logistics systems, and their future concerns.

- In general, MEXFAM and FEMAP reported that the assistance provided by FPLM was valuable, and that their logistics systems improved substantially as a result. These changes will prove extremely useful as the organizations enter a new phase without USAID support.
- Although the withdrawal of USAID support had been anticipated since at least 1992, there were mixed messages about the timeframe from both USAID and the CAs working in Mexico, so the NGOs did not fully acknowledge the phase out of support until it was almost upon them. For the first several years of the process, the NGOs reported disbelief that the phase out would actually occur, or if it did occur, that it would be postponed repeatedly into the future. By the time the organizations realized the urgency of their situation, it was too late for the technical assistance to have much impact. Now that the organizations recognize the need for focused technical assistance, they need new donor funding to obtain it.
- The main training needs of the organizations are in generating income and social marketing, including advertising their services and products and negotiating with vendors. Finding ways to coordinate activities better was also mentioned by several respondents, both in terms of internal management and collaboration with other organizations. However, they will have difficulty obtaining technical assistance in these areas without additional donor financing.
- The logistics systems of both organizations appear to be fairly well established at this point. The main logistics challenge is the cost of contraceptives, now that they will no longer be donated by USAID. Because of protectionist economic controls and policies, the NGOs will need to buy most contraceptives from local vendors that charge two to five times more per unit (for MEXFAM and FEMAP's main program methods) than the cost to USAID for large-volume international procurements. The price differential is especially large for pills. Neither NGO has a large enough client base to be attractive for vendors to offer meaningful discounts.
- Because of this cost challenge, MEXFAM and FEMAP are both likely to scale back the family planning components of their service mix. Because they both have a relatively small client base compared with the public sector, contraceptive prevalence in Mexico is unlikely to suffer greatly if they cease to provide such services, but family planning needs in the specific communities served by the NGOs are likely to suffer. Further, the absence of IEC activities will be felt keenly in rural communities and among the urban poor.
- MEXFAM, whose income comes from fees charged at their clinics, is likely to continue to provide health services. It expects to recoup operating costs and hopes to earn a small profit from most clinics. The surplus can then be capitalized and reinvested to cover facility maintenance, service expansion, and overhead costs of operations at the central level. MEXFAM still expects to provide some subsidized services to its low-income target population, mainly by using new donor funds.
- FEMAP's future is more complicated because it operates through affiliated centers, not from its own facilities. However, the new clinic pharmacies have helped FEMAP diversify its income sources and lay the base for sustainability. The pharmacies sell mainly generic drugs (a recent innovation) and are expected to succeed.

7. Lessons Learned

The findings in chapter 6 are the basis for the following lessons learned by the FPLM project from working with MEXFAM and FEMAP:

1. **NGO sustainability is a long-term process; organizations must begin planning for the end of donor support long before it happens.** If organizations wait until the last minute, solutions will be rushed and less effective. Strategies, for example, charging fees for products and services, even if token in amount, should be instituted from the beginning to make more substantial cost recovery feasible later on.
2. **Similarly, all stakeholders should coordinate to ensure that they agree on expectations about sustainability from the beginning.** Clearly, progress was slowed in the case of these Mexican NGOs because there were misunderstandings or differing expectations regarding the timetable for the withdrawal of USAID funding.
3. **Cooperating agencies should coordinate their activities when helping NGOs prepare for sustainability.** In the case of MEXFAM and FEMAP, some staff felt that time and resources were wasted because of lack of coordination between CAs that had different—sometimes even contradictory—views and approaches. This caused delayed action on vital activities, such as skills for negotiating with vendors and marketing products and services, until the period of USAID support was almost over.
4. **Replacing commodities (particularly contraceptives) is one of the most challenging aspects of sustainability.** Particularly in a place like Mexico, with its protectionist trade policies, local purchase of contraceptives may be prohibitive for an NGO with a small market. This issue should be addressed early in the process. If it is not addressed by the time of phase out, it can force the NGOs to change the basic premise of their mission (e.g., it can cause a shift from a family planning focus to more of a general health services focus, as appears to be the case in this case study).
5. **By their nature, NGOs are attractive to a wide range of donors, and skills such as proposal development and other aspects of fundraising should be included as part of any phase out plan by a large donor such as USAID.** Most NGOs have socially oriented missions that focus on disadvantaged populations and will require continuation of some programs that are not financially self-sufficient. Donor funds will continue to be needed to support those programs.

In conclusion, the logistics systems of MEXFAM and FEMAP appeared to be reasonably strong at the time of this study, and they should be able to handle most challenges related to logistics management in the next several years. A greater challenge faced by the NGOs is contraceptive procurement, because prices in Mexico are higher than the organizations can charge to their clients. Both organizations mentioned that this will have adverse effects on their ability to maintain family planning as the central part of their service mix, and both have already diversified substantially as a result. Nevertheless, both NGOs are optimistic that they will continue to play meaningful roles in the future because of the quality of their services, their willingness to break new ground and experiment in new areas, and their ability to serve as models to the public sector and other health organizations in Mexico.

Appendix A.

Survey Respondents

MEXFAM

- Alfonso López Juárez, Director General
- Maricela Durá Cobo, Evaluation Director
- Bárbara Munguía, Manager, Operations and Marketing
- Higinio Dominguez, Coordinator, Tlalpan
- Teresa Bolaños, General Services Superintendent
- Mónica Ortiz, Head of Administrative Services
- Graciela Villanueva, Regional Coordinator, Tlalnepantla
- Lesvia Pérez, Social Worker and Administrator, Neza Clinic
- Emilia Ponce, administrative position, Tuxtla-Gutiérrez
- Jocabet Benítez, Administrator, San Luis de La Paz Clinic, Guanajuato
- Dr. Arturo Sánchez, Coordinator, Zacatecas
- Dr. Maria Teresa Rodriguez, Coordinator, Guerrero
- Dr. Daniel Cuadra, Coordinator, Colima

FEMAP

- Jesús Servín, Manager, Program Development
- Graciela De León Sánchez, Assistant Manager, Program Development

Appendix B.

Survey Instrument

Lecciones Aprendidas en Mexico: MexFam/FEMAP enero de 1999

Guía de Entrevista para Personal de Nivel Central y Regional

Institución:

Lugar de la entrevista:

Tipo de servicio/Nivel:

Nombre Entrevistado(s) y

Título o Posición:

Nombre del Entrevistador:

Fecha de la Entrevista:

1. ¿Ha participado en alguna capacitación sobre logística de anticonceptivos?
2. ¿Cuáles son sus responsabilidades específicas?
3. ¿Qué actividades realiza en relación a planificación familiar?

Historia del Sistema Logístico de su Institución:

4. ¿Cómo y cuándo se inició la distribución de insumos?
5. ¿Cómo se hacía la distribución de insumos, antes de 1992?
6. Por favor liste las características o elementos que mejor definen al sistema logístico de anticonceptivos *antes* (1992) de que hubiera asistencia técnica de FPLM-USAID.
7. ¿Cómo calificaría usted los siguientes aspectos en una escala de 0 a 9, donde 0 es no había o no hay, 1 es extremadamente mal o malo, y 9 es excelente?

1992 1999

Calidad de Información
Exactitud de Información
Puntualidad Informes
Uso de la Informacion
Desabastos
Sobreabastos
Control de Inventarios
Condiciones de almacen
Precisión de las Proyec

Barreras y limitaciones que se enfrentaron durante la implantación del sistema logístico

8. ¿Qué barreras y limitaciones se enfrentaron y cómo las sobrepasaron?
9. En su opinión, ¿cuáles de las intervenciones que usted conoce de este proyecto, mejoraron el sistema logístico? Por favor estime, ¿cuántas veces se hicieron?
10. En su opinión, ¿cuáles intervenciones de las que mencionó anteriormente continuarán siendo válidas y útiles para la institución, una vez termine el apoyo de USAID/Mexico? Mencione cuantas intervenciones considere convenientes (por ejemplo, máximos/mínimos, estimación de necesidades, etc.)
11. De las intervenciones que considera válidas/útiles, ¿piensa que también se aplican a otros insumos, diferente a los anticonceptivos? (Por ejemplo, máximos y mínimos, estimación de necesidades, etc.).
12. ¿Cuales intervenciones no serán válidas/útiles? ¿Por qué? Liste todas las que considere necesarias.

Formular las dos siguientes preguntas únicamente en el nivel central:

13. En su opinión, ¿cómo se desarrolló la interacción entre la institución y el proyecto de Logística de FPLM?
14. En su opinión, ¿cuáles han sido los resultados de esta colaboración?

Papeles de los Responsables

15. Describa brevemente en qué consistían los servicios y la cobertura de la institución hasta hace 1 año, o año y medio.
16. En el pasado, ¿qué apoyo en cuanto a recursos de logística le dieron los donantes a su institución?
17. ¿Cómo ha cambiado este apoyo en el presente, y cómo afectará a la institución en cuanto a servicios, nivel de cobertura, etc., comparando la institución con lo que era hace 1 año y medio?

Lecciones Aprendidas: Elementos que contribuyen al éxito y/o fracaso

18. En su opinión, ¿en qué aspectos logísticos y de otra índole considera usted fuerte a su Institución?
19. En su opinión, ¿qué factores fueron claves para que la institución consolidara dichos aspectos? ¿Por qué? Sea lo más específico posible.
20. En su opinión, ¿en qué aspectos logísticos y de otra índole considera usted débil a su Institución?
21. En su opinión, ¿qué apoyo (técnico, económico, etc.) le faltó a la institución para fortalecer o consolidar esos aspectos, así como sus operaciones y servicios, y estar mejor preparada para continuar con la prestación de servicios, sin apoyo externo?
22. ¿Cómo ha sido la experiencia de la institución en cuanto a la adquisición de insumos anticonceptivos, a través de fabricantes/proveedores/distribuidores?

Mexico: Contraceptive Logistics Systems

23. ¿La institución ha utilizado fabricantes/proveedores/distribuidores locales o internacionales?
24. ¿Cree que el volumen de ventas de insumos que maneja su institución sea atractivo para los proveedores en el futuro? ¿Por qué?
25. ¿Cree que cambiará el compromiso o actitud de los proveedores de insumos en el futuro?
26. En su opinión, ¿qué necesitaría su institución en el futuro para asegurar un sistema logístico adecuado de anticonceptivos, con respecto a adquisición, proveedores y presupuesto?
27. En su opinión, ¿qué impacto tendrá para la Institución el que las instituciones gubernamentales continúen entregando gratuitamente los anticonceptivos al usuario, mientras que las ONGs tienen que cobrar para garantizar su reposición?
28. En su opinión, ¿cómo ve el papel futuro de instituciones como la suya, que prestan servicios de planificación familiar, en un país como México, donde el sector público y el sector comercial son muy fuertes en prestar y cubrir dichos servicios?

Sostenibilidad

29. En su opinión, ¿qué tan bien establecido está el sistema logístico de su institución? ¿Por qué?
30. En su opinión, ¿considera que el sistema logístico sufrirá modificaciones, una vez finalice el apoyo de USAID? Sí___, No___. ¿En cuáles aspectos? (adquisición, almacenamiento, etc.)
31. ¿Qué fuentes de ingreso utilizará su institución para continuar sus operaciones y servicios? (por ejemplo, otros donantes, diversificación de servicios, etc.)
32. De esas fuentes de ingreso, ¿qué porcentaje estima usted que se derivará de servicios de Planificación Familiar y ventas de anticonceptivos?
33. Según su experiencia, ¿qué se requiere para asegurar la institucionalización futura del sistema logístico?

Sugerencias para direcciones futuras

34. ¿Qué otras inversiones, con respecto a logística, todavía le toca hacer a su institución?
35. ¿Qué mejoras pueden hacerse al sistema logístico de su institución?
36. ¿Qué tipo de asistencia técnica se requeriría todavía para el sistema logístico?
37. ¿Cuál ha sido la importancia la asistencia técnica de FPLM para su institución?
38. Si usted fuera a asesorar a otra ONG en otro país, que fuera a enfrentar la suspensión de la ayuda técnica y económica del/de los donante(s), tal como la ha experimentado su institución, ¿qué “lecciones” aprendidas de su experiencia le transferiría a otros programas o países?